

SINGLE-FAMILY OPERATIONS

December 2011

CONTACT INFORMATION
WILLIAM F. SHAW 202-402-7550
ZENORA HINES 202-402-7544

Applications

During December, FHA received 110,427 applications for single family home insurance -- 12.1 percent below last month but only 1.8 percent lower than last December. While 57,234 purchase cases account for the biggest share there has been a noticeable increase in refinance transactions.

There were 47,101 applications for refinancing -- 26,060 prior FHA cases and 21,041 conventional seeking FHA insurance. Included in this total were 274 principal write down applications. Also, during the month, 6,092 reverse mortgage applications were received.

Endorsements

This month, FHA insured 93,739 mortgages for \$16.7 billion. The overall average mortgage was \$178,000 and broken down as follows -- \$165,500 for purchase transactions, \$193,300 for refinance cases and \$237,000 for HECM.

The breakdown of mortgage transactions was as follows: 58,589 purchase money mortgages, 30,515 refinance mortgages as well as 4,635 reverse mortgages. The refinance total was made up of 19,017 prior FHA mortgages and 11,498 conventional mortgages converting to FHA. Included in this group were 148 short refinance cases as well as 2 hope for homeowner transactions.

Automated Underwriting

There were 71,721 cases accepted and approved using the FHA score card (TOTAL) accounting for 80.5 percent of the mortgages insured this month.

Insurance-In-Force

At the end of December, FHA had 7,414,979 single family mortgages in force with an estimated amortized balance of \$1,036.0 billion. This is 10.9 percent more than reported last December.

Defaults and Claims

As of December 31, FHA servicers reported 771,082 mortgages in serious delinquency, for a default rate of 9.6 percent. The seasonally-adjusted rate, however, was a lower 9.1 percent. It should be noted that the November through February period is the seasonal high-point for serious delinquencies.

So far this fiscal year, FHA has paid 61,259 single family insurance claims -- 30.3 percent lower than the same time last year. The bulk of the claims (30,387) involved loss mitigation retention actions. In addition, there were 18,801 conveyance claims, 9,807 pre-foreclosures and a small number of other actions.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

December 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	110,427	125,596	-12.1%	112,500	-1.8%
Annual Rate	1,865,900	1,925,800	-3.1%	1,778,000	4.9%
Average per workday	7,375	7,612	-3.1%	7,028	4.9%
Purchase	57,234	67,358	-15.0%	57,390	-0.3%
Refinance	47,101	50,730	-7.2%	46,840	0.6%
Prior FHA	26,060	26,866	-3.0%	17,580	48.2%
Conventional to FHA	21,041	23,864	-11.8%	29,260	-28.1%
H4H (HOPE for Homeowners)				60	-100.0%
Short Refinance	274	293	-6.5%	30	813.3%
HECM	6,092	7,508	-18.9%	8,270	-26.3%
TOTAL ENDORSEMENTS: *	93,739	88,206	6.3%	133,603	-29.8%
Annual Rate	1,124,900	1,058,500	6.3%	1,603,200	-29.8%
Weighted Average FICO Score **	698	697	0.1%	702	-0.6%
Minority	24,179	22,810	6.0%	30,933	-21.8%
% Minority	25.8%	25.9%	-0.1% #	23.2%	2.6% #
Purchase	58,589	57,038	2.7%	66,165	-11.5%
% Purchase	62.5%	64.7%	-2.2% #	49.5%	13.0% #
Average FICO Score **	696	695	0.1%	701	-0.7%
1st Time Home Buyer	44,856	43,968	2.0%	48,539	-7.6%
% 1st Time Home Buyer	76.6%	77.1%	-0.5% #	73.4%	3.2% #
Non-Minority	27,396	26,818	2.2%	29,370	-6.7%
% Non-Minority	61.1%	61.0%	0.1% #	60.5%	0.6% #
Minority	14,890	14,492	2.7%	15,885	-6.3%
% Minority	33.2%	33.0%	0.2% #	32.7%	0.5% #
Not-Disclosed	2,570	2,658	-3.3%	3,284	-21.7%
% Not-Disclosed	5.7%	6.0%	-0.3% #	6.8%	-1.0% #
Refinanced	30,515	26,514	15.1%	60,884	-49.9%
% Refinanced	32.6%	30.1%	2.5% #	45.6%	-13.0% #
Average FICO Score **	706	703	0.4%	705	0.1%
Prior FHA	19,017	16,201	17.4%	37,762	-49.6%
Streamline	14,840	12,349	20.2%	31,814	-53.4%
% Streamline	48.6%	46.6%	2.1% #	52.3%	-3.6% #
Full Process	4,177	3,852	8.4%	5,948	-29.8%
Cash Out	670	644	4.0%	1,041	-35.6%
Conventional to FHA	11,498	10,313	11.5%	23,122	-50.3%
Cash Out	3,144	2,898	8.5%	5,738	-45.2%
Total Cash Out	3,814	3,542	7.7%	6,779	-43.7%
Total % Cash Out	12.5%	13.4%	-0.9% #	11.1%	1.4% #
H4H (HOPE for Homeowners)	2			21	
Short Refinance	148	76	94.7%	21	
HECM	4,635	4,654	-0.4%	6,554	-29.3%
% HECM	4.9%	5.3%	-0.3% #	4.9%	0.0% #
HECM Standard Traditional	4,075	4,113	-0.9%	6,105	-33.3%
HECM Stdnd Traditional ARM	1,219	1,096	11.2%	2,594	-53.0%
HECM Standard Purchase	109	121	-9.9%	115	-5.2%
HECM Stdnd Purchase ARM	3	6	-50.0%	21	-85.7%
HECM Standard Refinance	156	110	41.8%	259	-39.8%
% HECM Standard Refinance	3.4%	2.4%	1.0% #	4.0%	-0.6% #
HECM Stdnd Refinance ARM	87	31	180.6%	85	2.4%
HECM Saver Total	296	310	-4.5%	75	294.7%

Source: * F17 CHUMS

- Percentage point difference

NA - Not available at this time.

** This series represents the composite FICO score value that is used for loan underwriting.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

December 2011

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,978	2,148	-7.9%	1,562	26.6%
Condominium	3,188	2,937	8.5%	6,389	-50.1%
% Condominium	3.4%	3.3%	0.1% #	4.8%	-1.4% #
ARM (Excludes HECM ARM)	2,106	2,280	-7.6%	4,621	-54.4%
% ARM	2.2%	2.6%	-0.3% #	3.5%	-1.2% #
Manufactured Housing (Real Estate)	1,618	1,644	-1.6%	1,966	-17.7%
Interest Buy-down	371	357	3.9%	261	42.1%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	6.1	6.0	1.7%	7.6	-19.7%
Closing to Endorsement	4.0	3.7	8.1%	4.1	-2.4%
Lender Insurance *					
Total Lender Insurance	72,393	67,305	7.6%	102,320	-29.2%
% of Total Insurance	77.2%	76.3%	0.9% #	76.6%	0.6% #
Forward Mortgages	72,389	67,287	7.6%	100,359	-27.9%
HECM	4	18	-77.8%	1,961	-99.8%
Automated Underwriting System * x					
AUS Endorsed	71,721	68,818	4.2%	93,995	-23.7%
AUS as % of Total Endorsed	80.5%	82.4%	-1.9% #	74.0%	6.5% #
Mortgage Insurance *					
Total Number	93,739	88,206	6.3%	133,603	-29.8%
Total Amount (\$B)	\$16.7	\$15.6	7.1%	\$26.4	-36.7%
Forward Mortgages					
Total Forward Number	89,104	83,552	6.6%	127,049	-29.9%
Amount (\$B)	\$15.6	\$14.5	7.6%	\$24.7	-36.8%
Purchase Number	58,589	57,038	2.7%	66,165	-11.5%
Amount (\$B)	\$9.7	\$9.4	3.2%	\$11.8	-17.8%
Refinance Number	30,515	26,514	15.1%	60,884	-49.9%
Amount (\$B)	\$5.9	\$5.1	15.7%	\$12.9	-54.3%
Reverse Mortgages					
HECM Number	4,635	4,654	-0.4%	6,554	-29.3%
Max Claim Amount (\$B)	\$1.1	\$1.1	0.0%	\$1.7	-35.3%
Mortgage Insurance-In-Force **					
Total Number	7,414,979	7,376,641	0.5%	6,812,689	8.8%
Total Unpaid Balance Amount (\$B)	\$1,036.0	\$1,030.4	0.5%	\$934.2	10.9%
Loans Seriously Delinquent *** <					
Seriously Delinquent	711,082	689,346	3.2%	598,140	18.9%
Seriously Delinquent Rate	9.6%	9.3%	0.3% #	8.8%	0.8% #

Source: * F17 CHUMS ** A43 Single Family Insurance System *** F42D Consolidated Single Family Default Monitoring System

Percentage point difference

^ Existing homes, including purchase and refinance cases, represent virtually all of insurance activity.

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).

< This count of seriously delinquent mortgages includes all bankruptcies, all foreclosures and 90 days or more delinquencies.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

December 2011

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2012 AS OF OCT 11	FY 2012 TO DATE	FY 2011 TO DATE	RATE OF CHANGE 2012/2011	FY 2011 FINAL
TOTAL APPLICATIONS: *	1,750,000	365,697	429,119	-14.8%	1,603,669
Purchase	1,015,000	194,895	189,610	2.8%	921,886
Refinance	630,000	149,880	214,773	-30.2%	586,092
Prior FHA	252,000	82,261	104,782	-21.5%	247,124
Conventional to FHA	378,000	67,619	109,991	-38.5%	338,968
H4H (HOPE for Homeowners)		0	214		1,408
Short Refinance		848	122		1,333
HECM	105,000	20,922	24,736	-15.4%	95,691
TOTAL ENDORSEMENTS: *	1,400,000	269,984	390,044	-30.8%	1,271,211
Minority	350,000	69,973	90,280	-22.5%	312,940
% Minority	25.0%	25.9%	23.1%	2.8% #	24.6%
Purchase	840,000	176,215	196,829	-10.5%	777,521
% Purchase	60.0%	65.3%	50.5%	14.8% #	61.2%
1st Time Home Buyer	630,000	135,011	143,722	-6.1%	585,091
% 1st Time Home Buyer	75.0%	76.6%	73.0%	3.6% #	75.3%
Non-Minority	403,200	82,560	87,454	-5.6%	360,891
% Non-Minority	64.0%	61.2%	60.8%	0.3% #	61.7%
Minority	189,000	44,381	46,631	-4.8%	187,022
% Minority	30.0%	32.9%	32.4%	0.4% #	32.0%
Not-Disclosed	37,800	8,069	9,635	-16.3%	37,176
% Not-Disclosed	6.0%	6.0%	6.7%	-0.7% #	6.4%
Refinanced	476,000	79,827	174,825	-54.3%	420,561
% Refinanced	34.0%	29.6%	44.8%	-15.3% #	33.1%
Prior FHA	247,520	47,954	109,476	-56.2%	224,936
Streamline	223,720	36,696	93,225	-60.6%	180,330
% Streamline	47.0%	46.0%	53.3%	-7.4% #	42.9%
Full Process	23,800	11,258	16,251	-30.7%	44,606
Cash Out	7,200	1,848	2,931	-36.9%	9,022
Conventional to FHA	228,480	31,879	65,354	-51.2%	195,634
Cash Out	36,000	8,804	16,114	-45.4%	52,921
Total Cash Out	43,200	10,652	19,045	-44.1%	61,943
Total % Cash Out	9.1%	13.3%	10.9%	2.5% #	14.7%
H4H (HOPE for Homeowners)		2	70		632
Short Refinance		313	22		334
HECM	84,000	13,942	18,390	-24.2%	73,129
% HECM	6.0%	5.2%	4.7%	0.4% #	5.8%
HECM Standard Traditional	75,000	12,243	17,232	-29.0%	65,062
HECM Stndrd Traditional ARM	22,500	3,426	6,398	-46.5%	19,429
HECM Standard Purchase	1,700	359	315	14.0%	1,514
HECM Stndrd Purchase ARM	500	14	48	-70.8%	112
HECM Standard Refinance	3,000	388	749	-48.2%	2,727
% HECM Standard Refinance	3.6%	2.8%	4.1%	-1.3% #	3.7%
HECM Stndrd Refinance ARM	660	145	196	-26.0%	565
HECM Saver Total	4,300	953	94		3,828

Source: * F17 CHUMS

- Percentage point difference

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

December 2011

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2012 AS OF OCT 11	FY 2012 TO DATE	FY 2011 TO DATE	RATE OF CHANGE 2012/2011	FY 2011 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	6,142	4,781	28.5%	21,297
Condominium	110,000	9,126	18,509	-50.7%	54,694
% Condominium	7.9%	3.4%	4.7%	-1.4% #	4.3%
ARM (Excludes HECM ARM)	50,000	7,391	11,489	-35.7%	50,882
% ARM	3.6%	2.7%	2.9%	-0.2% #	4.0%
Manufactured Housing (Real Estate)	50,000	4,909	5,680	-13.6%	21,378
Interest Buy-down	4,000	1,147	796	44.1%	3,790
Lender Insurance *					
Total Lender Insurance	980,000	207,743	295,646	-29.7%	976,312
% of Total Insurance	70.0%	76.9%	75.8%	1.1% #	76.8%
Forward Mortgages	960,400	206,935	290,647	-28.8%	956,514
HECM	19,600	808	4,999	-83.8%	19,798
Automated Underwriting System * x					
AUS Endorsed	1,050,000	211,783	274,530	-22.9%	994,574
AUS as % of Total Endorsed	79.8%	82.7%	73.9%	8.8% #	83.0%
Mortgage Insurance *					
Total Number	1,400,000	269,984	390,044	-30.8%	1,271,211
Total Amount (\$B)	\$248.6	\$47.9	\$76.7	-37.5%	\$236.0
Forward Mortgages					
Total Forward Number	1,316,000	256,042	371,654	-31.1%	1,198,082
Amount (\$B)	\$231.1	\$44.6	\$72.1	-38.1%	\$217.8
Purchase Number	840,000	176,215	196,829	-10.5%	777,521
Amount (\$B)	\$141.9	\$29.2	\$35.1	-16.8%	\$134.4
Refinance Number	476,000	79,827	174,825	-54.3%	420,561
Amount (\$B)	\$89.2	\$15.4	\$37.0	-58.4%	\$83.4
Reverse Mortgages					
HECM Number	84,000	13,942	18,390	-24.2%	73,129
Max Claim Amount (\$B)	\$17.5	\$3.3	\$4.6	-28.3%	\$18.2
Claims **					
Total Claims	318,500	61,259	87,827	-30.3%	326,892
Loss Mitigation Retention	195,000	30,387	58,032	-47.6%	200,808
Pre-Foreclosures	25,400	9,807	4,072	140.8%	25,069
Conveyances	92,000	18,801	24,004	-21.7%	91,448
HECM	5,000	2,170	1,435	51.2%	7,951
Other Claims	1,100	94	284	-66.9%	1,616

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).